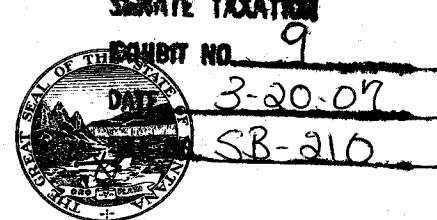




Dan Bucks
Director

Montana Department of Revenue



Brian Schweitzer
Governor

To: David Hunter, Deputy Director
From: Dan Dodds, Senior Tax Policy Analyst
Date: March 17, 2007
Subject: Options for SB 210

The subcommittee of Senate Tax looking at SB 210 asked for a package of changes to current law costing about \$3 million and to include increasing the maximum credit, allowing businesses that own rental housing to take the credit, and making it refundable for low income taxpayers. The following table shows two options. One increases the maximum credit to \$750 and costs slightly less than \$3 million in FY 2008. The other increases the maximum credit to \$800 and costs slightly more than \$3 million.

Cost of SB 210 Options

Increase Maximum Credit to \$750	\$1,172,462
Make Refundable for Low Income Taxpayers	\$290,798
Allow for Business-Owned Rental Housing	<u>\$1,453,335</u>
Total	\$2,916,596
Increase Maximum Credit to \$800	\$1,341,525
Make Refundable for Low Income Taxpayers	\$290,798
Allow for Business-Owned Rental Housing	<u>\$1,550,224</u>
Total	\$3,182,547